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CONNECTICUT OFFICE OF  
HEALTH CARE ACCESS



YALE-NEW HAVEN  
HOSPITAL

December 21, 2004

Commissioner Cristine Vogel  
Office of Health Care Access  
410 Capitol Avenue, MS#13HCA  
P.O. Box 340308  
Hartford, CT 06134-0308

**Re: CON Determination and Letter of Intent: Yale-New Haven Hospital Major Replacement of Patient Monitors**

Dear Commissioner Vogel:

Enclosed for your consideration are two documents relating to the replacement of patient monitors and monitoring stations at Yale-New Haven Hospital (YNHH): (1) a Request for CON Determination from OHCA whether a CON is required for the replacement of urgently needed patient monitors and monitoring stations in the Hospital's operating room and recovery areas, the aggregate cost of which is below the \$1M threshold; and (2) a Letter of Intent for replacement of patient monitors and monitoring stations for the remaining patient care areas in the Hospital, which total in aggregate approximately \$6.5 million. The Letter of Intent also asks OHCA's consideration regarding whether the aggregate purchase of patient monitors and monitoring stations should be subject to CON approval.

As you know, patient monitors are electronic devices routinely used in acute care hospitals to continuously monitor a patient's vital signs and physiological conditions. This information is communicated to hospital clinical personnel through centrally-located patient monitoring stations. These routine patient care support devices do not constitute major medical equipment. Each patient monitor costs between approximately \$10,000 and \$40,000. Each monitoring station costs between approximately \$40,000 and \$100,000. The equipment must be replaced routinely and has a useful life of approximately ten years. Although the equipment could be purchased separately, in order to obtain favorable discounted pricing, YNHH is negotiating with a single vendor to support a plan for replacement of all patient monitor equipment where necessary throughout the Hospital over a multi-year period. Considered in the aggregate, the cost of replacing this relatively minor and routine equipment can easily exceed the \$1 million CON capital expenditure threshold raising the possible need for CON approval. As reflected in the enclosed documents, we ask your review and consideration concerning whether for CON purposes the patient monitors should be recognized as multiple or aggregate purchases of minor equipment not requiring CON review.

Replacement of patient monitors and monitoring stations in the operating rooms and recovery areas has been expedited as a separate project because of a special urgency. Due to several recent changes in vendor ownership, some of the major monitoring equipment in the operating room and recovery areas will soon no longer be supported by the current vendor. For this reason we ask that OHCA expedite consideration of the CON Determination for the operating room and recovery area monitor replacement project.

The replacement of monitors and monitoring stations in both operating room areas and other areas of the Hospital will be covered by a new main vendor agreement, as the Hospital is negotiating with Philips Medical Systems to purchase a large number of patient monitors over the course of several years. Given

the proposed volume of monitors due to the size of YNHH, the agreement with Philips will provide significant financial savings to the Hospital. As noted above, purchased separately, each patient monitor or monitoring station does not constitute major medical equipment. However, in aggregate, the cost of all needed patient monitor replacements (including the operating rooms and other areas together) totals approximately \$7.5 million, including freight charges and on-site training.

We are fully prepared to submit a CON for the \$6.5 million major replacement of patient monitors, separating the operating room and recovery area project due to its immediate and urgent need. However, we respectfully request OHCA's review regarding the question of whether replacement of routine patient care support equipment purchased in the aggregate should be subject to CON review. We note that if OHCA determines the need for a CON based on the aggregate annual cost of replacing routine patient monitoring equipment, there is the anomalous result that only larger hospitals will be subject to CON review for patient monitor replacements. This is because the amount of patient monitoring equipment needed by a larger hospital, in the aggregate during a replacement project, is more likely to exceed the \$1 million CON threshold than a similar replacement project undertaken by a smaller hospital. We suggest that defining this routine monitoring equipment based on the cost of the individual monitors and monitoring stations would be a more fair and consistent approach.

We therefore respectfully request that OHCA determine that no CON is required for the purchase of patient monitors or monitoring stations, where the cost of each monitor or station is below the applicable CON threshold, regardless of whether the equipment is purchased in aggregate through a special vendor arrangement.

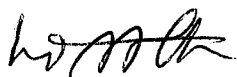
Alternatively, we ask that OHCA determine that YNHH's initial replacement of monitors for the operating rooms and recovery areas, the aggregate cost of which is less than \$1 million, does not require CON review and may proceed immediately.

Please forward any correspondence to:

Jean Ahn  
Director, Planning and Business Development  
Yale-New Haven Hospital  
20 York Street  
New Haven, CT 06504  
(203) 688-2609

Thank you for your consideration.

Sincerely,



Norman G. Roth  
Senior Vice President, Administration

cc: Jeanette Schreiber, Esq.



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CONNECTICUT OFFICE OF  
HEALTH CARE ACCESS

**State of Connecticut  
Office of Health Care Access  
Letter of Intent/Waiver Form  
Form 2030**

All Applicants must complete a Letter of Intent (LOI) form prior to submitting a Certificate of Need application, pursuant to Sections 19a-638 and 19a-639 of the Connecticut General Statutes and Section 19a-643-79 of OHCA's Regulations. Please submit this form to the Commissioner of the Office of Health Care Access, 410 Capitol Avenue, MS# 13HCA, P.O. Box 340308, Hartford, Connecticut 06134-0308.

**SECTION I. APPLICANT INFORMATION**

If there are more than two Applicants, please attach a separate sheet of paper and provide additional information in the format below.

	Applicant One	Applicant Two
Full legal name	Yale-New Haven Hospital	
Doing Business As	Yale-New Haven Hospital	
Name of Parent Corporation	Yale-New Haven Health Services Corporation	
Mailing Address, if Post Office Box, include a street mailing address for Certified Mail	20 York Street New Haven, CT 06504	
Applicant type (e.g., profit/non-profit)	Non-Profit	
Contact person, including title or position	Jean Ahn Director	
Contact person's street mailing address	Yale-New Haven Hospital 20 York Street New Haven, CT 06504	
Contact person's phone #, fax # and e-mail address	(203) 688-2609 (Phone) (203) 688-5013 (Fax) Jean.Ahn@ynhh.org	

**SECTION II. GENERAL APPLICATION INFORMATION**

- Proposal/Project Title:

**Purchase of Patient Monitors**

- Type of Proposal, please check all that apply:

- ☐ Change in Facility (F), Service (S) or Function (Fnc) pursuant to Section 19a-638, C.G.S.:
- |  |  |  |
|--|--|--|
| <input type="checkbox"/> New (F, S, Fnc)       | <input type="checkbox"/> Replacement   | <input type="checkbox"/> Additional (F, S, Fnc)      |
| <input type="checkbox"/> Expansion (F, S, Fnc) | <input type="checkbox"/> Relocation    | <input type="checkbox"/> Service Termination         |
| <input type="checkbox"/> Bed Addition          | <input type="checkbox"/> Bed Reduction | <input type="checkbox"/> Change in Ownership/Control |

- ☒ Capital Expenditure/Cost, pursuant to Section 19a-639, C.G.S.:

- ☐ Project expenditure/cost greater than \$ 1,000,000
- ☒ Equipment Acquisition greater than \$ 400,000 (in aggregate)
- |                                  |   |  |
|----------------------------------|---|--|
| <input type="checkbox"/> New     | <input checked="" type="checkbox"/> Replacement | <input type="checkbox"/> Major Medical |
| <input type="checkbox"/> Imaging | <input type="checkbox"/> Linear Accelerator     |  |

- ☐ Change in ownership or control, pursuant to Section 19a-639 C.G.S., resulting in a capital expenditure over \$1,000,000

- a. Location of proposal (Town including street address):

**20 York Street, New Haven, CT 06504**

- b. List all the municipalities this project is intended to serve:

**Please see response to Question 3 in Project Description.**

- c. Estimated starting date for the project:

**Upon determination by OHCA**

- d. Type of project: 10 (Fill in the appropriate number(s) from page 7 of this form)

**Number of Beds (to be completed if changes are proposed)**

Type	Existing Staffed	Existing Licensed	Proposed Increase (Decrease)	Proposed Total Licensed

**Not Applicable.**

**SECTION III. ESTIMATED CAPITAL EXPENDITURE INFORMATION**

- a. Estimated Total Capital Expenditure: \$6,500,000
- b. Please provide the following breakdown as appropriate:

Construction/Renovations	\$
Medical Equipment (Purchase)	
Imaging Equipment (Purchase)	
Non-Medical Equipment (Purchase)	\$6,500,000
Sales Tax	
Delivery & Installation	
<b>Total Capital Expenditure</b>	<b>\$6,500,000</b>
Fair Market Value of Leased Equipment	
<b>Total Capital Cost</b>	<b>\$6,500,000</b>

**Major Medical and/or Imaging equipment acquisition:**

Equipment Type	Name	Model	Number of Units	Cost per unit

Note: Provide a copy of the contract with the vendor for major medical/imaging equipment.

See proposed quotes in Appendix 1.

- c. Type of financing or funding source (more than one can be checked):

- |   |   |  |
|---|---|--|
| <input checked="" type="checkbox"/> Applicant's Equity  | <input type="checkbox"/> Lease Financing        | <input type="checkbox"/> Conventional Loan |
| <input type="checkbox"/> Charitable Contributions       | <input type="checkbox"/> CHEFA Financing        | <input type="checkbox"/> Grant Funding     |
| <input checked="" type="checkbox"/> Funded Depreciation | <input type="checkbox"/> Other (specify): _____ |  |

#### SECTION IV. PROJECT DESCRIPTION

Please attach a separate 8.5" X 11" sheet(s) of paper and provide no more than a 2 page description of the proposed project, highlighting all the important aspects of the proposed project. Please be sure to address the following (if applicable):

1. Currently what types of services are being provided? If applicable, provide a copy of each Department of Public Health license held by the Petitioner.
2. What types of services are being proposed and what DPH licensure categories will be sought, if applicable?
3. Who is the current population served and who is the target population to be served?
4. Identify any unmet need and how this project will fulfill that need.
5. Are there any similar existing service providers in the proposed geographic area?
6. What is the effect of this project on the health care delivery system in the State of Connecticut?
7. Who will be responsible for providing the service?
8. Who are the payers of this service?

**If requesting a Waiver of a Certificate of Need, please complete Section V.**

**SECTION V. WAIVER OF CON FOR REPLACEMENT EQUIPMENT**

I may be eligible for a waiver from the Certificate of Need process because of the following: (Please check all that apply)

- ☐ This request is for Replacement Equipment.
  - ☐ The original equipment was authorized by the Commission/OHCA in Docket Number: \_\_\_\_\_.
  - ☐ The cost of the equipment is not to exceed \$2,000,000.
  - ☐ The cost of the replacement equipment does not exceed the original cost increased by 10% per year.

Please complete the attached affidavit for Section V only.

**AFFIDAVIT**Applicant: **Yale-New Haven Hospital**

Project Title: \_\_\_\_\_

I, James Staten, Chief Financial Officer  
(Name) (Position – CEO or CFO)

of Yale-New Haven Hospital being duly sworn, depose and state that the information provided in this CON Letter of Intent/Waiver Form (2030) is true and accurate to the best of my knowledge, and that Yale-New Haven Hospital complies with (Facility Name) the appropriate and applicable criteria as set forth in the Sections 19a-630, 19a-637, 19a-638, 19a-639, 19a-486 and/or 4-181 of the Connecticut General Statutes.

James Staten  
Signature

12/29/04  
Date

Subscribed and sworn to before me on 12/29/04

Patricia C. Fiorentino  
Notary Public/Commissioner of Superior Court

**Patricia C. Fiorentino**

NOTARY PUBLIC

My commission expires: \_\_\_\_\_ MY COMMISSION EXPIRES DEC. 31, 2009



## Project Type Listing

Please indicate the number or numbers of types of projects that apply to your request on the line provided on the Letter of Intent Form (Section II, page 2).

### Inpatient

1. Cardiac Services
2. Hospice
3. Maternity
4. Med/ Surg.
5. Pediatrics
6. Rehabilitation Services
7. Transplantation Programs
8. Trauma Centers
9. Behavioral Health (Psychiatric and Substance Abuse Services)
10. Other Inpatient

### Outpatient

11. Ambulatory Surgery Center
12. Birthing Centers
13. Oncology Services
14. Outpatient Rehabilitation Services
15. Paramedics Services
16. Primary Care Clinics
17. Urgent Care Units
18. Behavioral Health (Psychiatric and Substance Abuse Services)
19. MRI
20. CT Scanner
21. PET Scanner
22. Other Imaging Services
23. Lithotripsy
24. Mobile Services
25. Other Outpatient
26. Central Services Facility

### Non-Clinical

27. Facility Development
28. Non-Medical Equipment
29. Land and Building Acquisitions
30. Organizational Structure (Mergers, Acquisitions, Affiliations, and Changes in Ownership)
31. Renovations
32. Other Non-Clinical

## SECTION IV. PROJECT DESCRIPTION

1. **Currently what types of services are being provided? If applicable, provide a copy of each Department of Public Health license held by the Petitioner.**

Yale-New Haven Hospital (YNHH) is the primary teaching hospital for the Yale School of Medicine and a major community hospital for residents of the greater New Haven area. The Hospital offers a full array of primary to quaternary patient services; many quaternary services have been designated as regional or national referral services.

A copy of YNHH's Department of Public Health (DPH) License is presented as Appendix 2.

2. **What types of services are being proposed and what DPH licensure categories will be sought, if applicable?**

No new services are being proposed. Patient monitors do not comprise a service, and additional DPH licensure is not required for patient monitors.

Yale-New Haven is proposing to acquire replacement patient monitors and monitoring stations in patient care locations throughout the Hospital, excluding operating room and recovery area monitors which are addressed in a separate CON Determination. Patient monitors are electronic devices routinely used in acute care hospitals to continuously monitor a patient's vital signs and other physiological conditions. This information is communicated to hospital clinical personnel through centrally-located patient monitoring stations. Each patient monitor or monitoring station could be purchased separately, and these do not constitute major medical equipment. Each patient monitor costs between approximately \$10,000 and \$40,000. Each monitoring station costs between approximately \$40,000 and \$100,000. This equipment must be replaced routinely and has a useful life of approximately ten years.

Yale-New Haven Hospital (YNHH) is negotiating with Philips Medical System to acquire a large number of patient monitors and monitoring stations. In aggregate, the estimated total cost for all the monitors needed is \$6.5 million, which includes freight charges and on-site training. Philips Medical has offered a significant discount as the preferred monitor and associated accessories supplier for the Hospital if it agrees to purchase the bulk of its needed monitor equipment from Philips. The arrangement also provides excellent pricing for a parts agreement, all accessories and consumables.

YNHH is filing this letter of intent to commence a CON process to obtain OHCA's approval of the aggregate purchase of patient monitors and monitoring stations if OHCA determines that CON approval is required. However YNHH respectfully requests that OHCA examine whether the aggregation of purchases and replacement of this relatively minor patient monitoring equipment should be treated as a major capital expenditure for CON purposes or recognized as an

aggregate purchase of equipment not subject to CON approval. Additionally, if the CON determination decision is based on the annual aggregate cost of a patient monitor purchase/replacement plan, please note that the result will be to require CON proceedings for such equipment purchases/replacement for larger acute care hospitals and not for smaller hospitals. This is because the amount of patient monitoring equipment needed by a larger hospital, in the aggregate during a replacement project, is more likely to exceed the \$1 million CON threshold than a similar replacement project undertaken by a smaller hospital.

**3. Who is the current population served and who is the target population to be served?**

The current population served and the target population to be served include the residents of Ansonia, Bethany, Branford, Cheshire, Clinton, Deep River, Derby, East Haven, Essex, Guilford, Hamden, Killingworth, Madison, Meriden, Milford, New Haven, North Branford, North Haven, Old Saybrook, Orange, Oxford, Seymour, Wallingford, Westbrook, West Haven and Woodbridge.

**4. Identify any unmet need and how this project will fulfill that need.**

For safety purposes, patient care support equipment such as patient monitors and monitoring stations necessarily must be replaced at the end of the equipment's useful life or if the equipment is no longer supported by the equipment vendor in terms of parts or service maintenance. This project will replace monitors throughout the Hospital's patient care areas that are either nearing the end of their useful life, or will no longer be supported by the equipment vendor.

**5. Are there any similar existing service providers in the proposed geographic area?**

Not applicable. These replacement monitors do not comprise a service.

**6. What is the effect of this project on the healthcare delivery system in the State of Connecticut?**

Not applicable. These replacement monitors will not affect the healthcare delivery system in the State of Connecticut.

**7. Who will be responsible for providing the service?**

Not applicable. The replacement monitors do not comprise a service.

**8. Who are the payers of this service?**

Not applicable. The patient monitors are not a billed service. The payers for YNH include Medicare, Medicaid, Aetna, Blue Cross, Cigna, Connecticut, HMCPO, Oxford, PHS, United Healthcare, Workers Compensation, Yale Health Plan and others.

# **APPENDIX 1**

## **Vendor Quotes**

# YALE-NEW HAVEN HOSPITAL

Department	Telemetry Units	Patient Monitors	Central Stations	Labor & Cable Pulling	Equipment & Installation	Total
4-700	25	5	2	\$ 2,100	\$ 104,996	\$ 107,096
5-200	26	5	2	\$ 3,300	\$ 100,916	\$ 104,216
5-300	25	5	2	\$ 2,400	\$ 95,285	\$ 97,685
5-500	8	0	1	\$ 900	\$ 12,989	\$ 13,889
5-700	10	7	1	\$ 3,100	\$ 93,805	\$ 96,905
6-300	6	0	1	\$ 800	\$ 15,801	\$ 16,601
6-400	12	7	2	\$ 3,600	\$ 95,054	\$ 98,654
6-500	6	0	1	\$ 900	\$ 1,266	\$ 2,166
6-700	6	0	1	\$ 900	\$ 1,266	\$ 2,166
7-200	0	29	3	\$ 1,200	\$ 181,353	\$ 182,553
7-300	0	26	2	\$ 800	\$ 166,762	\$ 167,562
7-400	0	9	1	\$ 4,300	\$ 61,789	\$ 66,089
7-500	6	0	1	\$ 900	\$ 1,266	\$ 2,166
8-8 Tele	6	0	0	\$ 1,200	\$ 33,927	\$ 35,127
7-700	4	0	1	\$ 900	\$ 1,266	\$ 2,166
9-500	8	0	1	\$ 900	\$ 22,549	\$ 23,449
9-700	12	0	1	\$ 900	\$ 30,236	\$ 31,136
10-700	8	0	0	\$ 900	\$ 20,612	\$ 21,512
ANESTH	0	10	0	\$ 2,400	\$ 51,940	\$ 54,340
BIRTH	0	9	0	\$ 3,200	\$ 62,346	\$ 65,546
CE	23	8	3	\$ -	\$ 156,309	\$ 156,309
CICU	2	17	7	\$ 6,300	\$ 300,729	\$ 307,029
CTICU	0	21	2	\$ 6,600	\$ 331,282	\$ 337,882
DATA SERVS	n/a	n/a	n/a	\$ 30,500	\$ 288,000	\$ 318,500
DIALHEMA	0	2	0	\$ -	\$ 14,850	\$ 14,850
DICATH	0	1	0	\$ -	\$ 8,285	\$ 8,285
DIMRC	0	1	0	\$ -	\$ 6,585	\$ 6,585
DIPEDI	0	1	0	\$ -	\$ 6,545	\$ 6,545
DIRAD	0	7	0	\$ 1,800	\$ 88,894	\$ 90,694
DIREC	6	8	1	\$ 900	\$ 75,367	\$ 76,267
ED	13	29	5	\$ 9,000	\$ 282,320	\$ 291,320
IPOR	0	34	20	\$ 6,000	\$ 849,326	\$ 855,326
MICU	0	16	6	\$ 9,000	\$ 257,031	\$ 266,031
NTWK SYS	n/a	n/a	n/a	\$ 47,000	\$ 530,000	\$ 577,000
NBSCU	0	4	0	\$ 800	\$ 42,370	\$ 43,170
NBSCU	0	63	3	\$ 18,300	\$ 627,205	\$ 645,505
NICU	0	16	6	\$ 6,000	\$ 250,699	\$ 256,699
PACU	0	20	0	\$ 5,400	\$ 232,254	\$ 237,654
PCC	0	1	0	\$ -	\$ 7,712	\$ 7,712
PED	0	15	1	\$ 3,000	\$ 136,976	\$ 139,976
PICU	0	22	4	\$ -	\$ 48,709	\$ 48,709
SICU	0	16	6	\$ 6,500	\$ 290,627	\$ 297,127
TICU	0	10	3	\$ -	\$ 27,683	\$ 27,683
WP7	0	15	1	\$ 2,800	\$ 113,340	\$ 116,140
WP10	6	2	1	\$ 1,800	\$ 33,900	\$ 35,700
S.Pav	0	5	0	\$ 1,200	\$ 56,876	\$ 58,076
WP11	0	1	0	\$ -	\$ 7,712	\$ 7,712
<b>218</b>	<b>447</b>	<b>92</b>	<b>\$</b>	<b>198,500</b>	<b>\$ 6,227,010</b>	<b>\$ 6,425,510</b>

## **APPENDIX 2**

### **State of Connecticut Department of Public Health License for Yale-New Haven Hospital**

# STATE OF CONNECTICUT

## Department of Public Health

### LICENSE

License No. 0044

### General Hospital

In accordance with the provisions of the General Statutes of Connecticut Section 19a-493:

Yale-New Haven Hospital, Inc. of New Haven, CT, d/b/a Yale-New Haven Hospital, Inc. is hereby licensed to maintain and operate a General Hospital.

**Yale-New Haven Hospital, Inc.** is located at 20 York Street, New Haven, CT 06504

The maximum number of beds shall not exceed at any time:

852 General Hospital beds

92 Bassinets

This license expires **September 30, 2005** and may be revoked for cause at any time.

Dated at Hartford, Connecticut, October 1, 2003. RENEWAL.

#### Satellites

Hill Regional Career High School, 140 Legion Avenue, New Haven, CT  
Branford High School Based Health Center, 185 East Main Street, Branford, CT  
Walsh Middle School, 185 Damascus Road, Branford, CT  
James Hillhouse High School Based Health Center, 480 Sherman Parkway, New Haven, CT  
Sheriden Academy of Excellence School Based Health Center, 191 Fountain Street, New Haven, CT  
Vincent E. Mauro Elementary School Based Health Center, 130 Orchard Street, New Haven, CT  
Weller Building, 425 George Street, New Haven, CT  
Yale-New Haven Psychiatric Hospital, 184 Liberty Street, New Haven, CT



A handwritten signature in black ink, appearing to read "Norma Gyle".

Norma Gyle, R.N., Ph.D., Acting  
Commissioner